

INFORMATION REPORT

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SUBJECT Heavy Industry in Manchuria

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1. The Penchihu Iron and Coal Company, near Penchihu (123-43, 41-20), is now administered by 9 Communists with no knowledge of engineering, who depend on the 9,000 workers to cope with all difficulties. The coal mines' production for 1949 was only about 250,000 tons. The mine pits are in very bad condition, and most are flooded. Pumping out the water will require some time, and repairs will be difficult. Four of the 7 puddling furnaces in the iron works are beyond repair, all 4 coke ovens are inoperable, and only 38 of 1,300 machines are in operating condition. Power generation amounts to only 4,000 kilowatts. In late summer 1949 two engineers, Kavimadek and Dr. Lentelt, were sent from the USSR to assist the Communist staff. Lentelt is a German who worked in Manchuria under the Manchukuo regime and, after World War II, was employed by the Soviet Army.
2. All of the 40,000 workers in the Fushun Coal Mine belong to the union and cannot change jobs at will. Working time has been increased from 9 to 12 hours daily. The former piecework system has been replaced by a regular salary arrangement, but wages have been reduced to 75 points from the 95 points originally paid. One point is equivalent to one catty and 6 liang of rice, $\frac{1}{2}$ ch'ih* of cloth and 5 catties of coal. Daily coal production is 6,000 tons.** The mines are in bad condition, however: In the Victory (Sheng Li 勝利) pit, for example, it will require 5 years to clear out the 10,000,000 cubic meters of rock and 3 years to pump out water. The Communist Administration lacks mining technicians, except for some Japanese, who worked in the mine under the Japanese regime and then were captured and indoctrinated by the Soviets. WANG Hsin-san (王新三), aged 57, a native of Harbin and graduate of the Harbin Technological Institute, is Chinese director of the mine. Gonov, a Soviet citizen, is in charge of the mine.
3. All of the 13 puddling furnaces in the Anshan Iron and Steel Works,*** are inoperable, so no steel is being produced. In May 1949 the Chinese Communist Northeast Administrative Committee requested the USSR to return part of the iron puddling equipment to the steel works. The request was made through the Soviet consulate in Mukden []****. No reply had been received as of September 1949.

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* Comment. One ch⁸ih is 14.1 inches.

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** Comment. According to available information 700,000 tons were mined in the Fushun area in 1937.

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*** Comment. According to available information the Showa Iron and Steel Works was operating at Anshan during the Japanese regime.

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**** Comment. This office has received no indication that the USSR has opened a consulate in Mukden.

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